GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6338
ANSWERED ON:06.05.2005
LOSSES OF RRBS
Singh Shri Dushyant

Will the Minister of FINANCE be pleased to state:

(a) whether some Regional Rural Banks (RRB) are incurring losses;

(b) if so, the list of such loss making RRBs, State-wise;

(c) whether any step is being taken to improve the performance of these RRBs;and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) & (b) : Out of 196 Regional Rural Banks (RRBs),33 RRBs incurred losses during the year 2003-2004. State-wise details are available at Annexure.

(c) & (d): Steps taken to improve the performance of RRBs are as under.

i) Package for doubling the flow of credit to agriculture and debt relief measures for restructuring accounts of farmers in circumstances of extreme distress due to successive natural calamities or farmers in arrears.

ii) One time settlement scheme for small and marginal farmers and a scheme for redemption of debts of farmers taken from non-institutional sources.

iii) Freedom from service area approach to those RRBs which were having accumulated losses as on 31-3-2004.

iv) Recapitalisation support to those RRBs which fulfill the prudential norms and norms of good governance.

v) The sponsor banks have been made fully responsible for the performance of RRBs sponsored by them.